

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION, §

Plaintiff, §

**ALAN TODD MAY and §
PROSPER OIL & GAS, INC. a/k/a §
PROSPER ENERGY, INC. §**

Defendants. §

Civil Action No.: 3:10-CV-0425-L

DECLARATION OF JON POPE

I, Jon Pope, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. § 1746, that the following is true and correct, and that I am competent to testify to the matters stated herein.

1. I have been employed as the president of Peoples State Bank since 2001 to the present.
2. In 2008, I was introduced to Alan Todd May ("May") and Prosper Oil & Gas, Inc. a/k/a Prosper Energy, Inc. ("Prosper") by a bank customer who thought I might be interested in making an oil and gas investment. The customer described May as a broker in the oil and gas industry. I knew other individuals who had invested with May. May subsequently provided me with documentation describing several oil and gas interests he had for sale.
3. Between April 2008 and September 2008, I invested approximately \$141,500 with May and Prosper through six separate transactions. The funds I used to make the investments came from both my personal and retirement funds. May informed me that the returns on some of my

investments would be as high as 40%. In fact, my combined returns were approximately 12% in 2009.

4. From approximately June 2008 to December 2009, I received approximately \$20,000.00 in royalty payments from Prosper. May told me that the source of the royalty payments I received from Prosper was royalty income from oil-and-gas production. May never told me that part or all of the payments I received from Prosper came from funds that Prosper collected from other investors, or from any source other than oil-and-gas revenue.

5. Since investing with Prosper, there have been numerous instances where I did not receive monthly royalty payments, as May had led me to believe would occur. May made excuses as to why my royalty payments had not been sent, including the following:

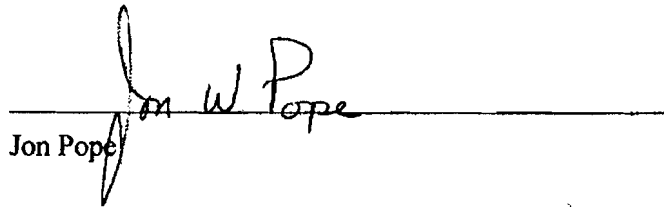
- a. the oil and gas companies who were paying the royalties did so erratically;
- b. the oil-and-gas companies were cutting staff;
- c. Prosper moved offices and my royalty payment must have been set aside in the shuffle;
- d. May had changed secretaries and she failed to send out my royalty payment; and
- e. May left others in charge and they failed to send out his royalty payment.

As a general matter, it was only after I called and complained about not receiving my royalty payments that Prosper sent me a royalty check.

6. On one occasion, May told me my payment was delayed because he was in Boston caring for his daughter, Lauren, who he claimed was a Harvard law student and was dying of cancer. He subsequently told me she had died and he was making funeral arrangements. Attached at **Exhibit A** are true and complete copies of e-mails May sent to me concerning his daughter's purported illness.

7. I am the investor "Jon" who is described in paragraphs 10 through 15 of the Declaration of Ty Martinez dated March 2, 2010, and Exhibits 4, 6 and 7 to that document.

Executed on Tuesday, March 9, 2010, in Menlo, Kansas.


Jon Pope

Jon Pope

From: atmay@prosperenergy.com
Sent: Tuesday, August 05, 2008 8:56 AM
To: Jon Pope
Subject: RE: Huff Oil Unit #1: Galveston County, Texas

Thank you both so very kindly.

Ours hearts go out to you! We will say our prayers for her full recovery. No one especially at her age should ever have to go through that. I cannot imagine how tough that would be for you and her mother. Please keep us abreast of how things are going. If there is anything we can do to help let us know.
Jon

-----Original Message-----

From: atmay@prosperenergy.com [mailto:atmay@prosperenergy.com]
Sent: Monday, August 04, 2008 3:35 PM
To: Jon Pope
Subject: RE: Huff Oil Unit #1: Galveston County, Texas

Hi Jon,

You are a busy man. Yes, my daughter Lauren who is 22 has a rare form of leukemia. She originally went to Boston for law school at Harvard but was diagnosed with cancer in June of this year. It is quite traumatic for me and her mother. Chemo did not work. We are now trying some experimental treatments which in itself is unbearable for her. We will get blood work done again in 10 days to see how the white blood cell count is coming along.

Tell your wife you got a royalty check we mailed to you on Friday for your interest in the Midland property. So, the others will follow. Some of these companies move fast, some move slow. I make sure to copy you on all of the communication I send to the operators on your behalf. I don't push too hard for fear of pissing them off and your file going to the bottom of the stack. I believe it's all good now.

I did talk with Sunoco, Inc. on your Wolfe Unit. I only sent them THREE certified copies of your conveyance deed on THREE separate occasions. Today, I sent another copy and was told a Division Order would go out this week for you to sign.

Yes, my 39.12% working interest in the Rising Sun #41-25H is a real bitch. I am a bit short on the \$2.2MIL but should have it together by month's end. I own a lot of property and will sell off some of it to raise the capital on this unit with ConocoPhillips in North Dakota.

If the well comes in, say 7500 barrels a month, my net should be around \$350,000.00 a month. That would make everything a lot better! That's an ROI of 6 months. I'll let you know how it plays out. The well drilling started on July 31st.

Tomorrow is fine on the wire. Your deed has already been recorded and I have already notified the operator. I was assured you would have a Division Order no later than August 20th and that you would be in revenue accounting for September. I explain to them that you wanted your shit quickly.

Okay, I have a meeting with XTO Energy in Fort Worth. Have a great day.

Alan

Sorry I haven't had time to call you. I have been swamped since my return and I just can't get caught up.

I didn't realize there was anything wrong with your daughter. What is wrong and what are they trying to do to help with it?

I appreciate you getting all the other things straightened out as my wife was getting on me pretty good about investing all this money and seeing no returns.

I went to a meeting and thought we were supposed to fly back in on Thursday and it turned out to be Friday night. My cell phone was charged fully and it lasts about three days, but since it was on roam it ran the battery down by Thursday afternoon and since I thought I would be right back I didn't take a charger.

I apologize that I have just been swamped today and I will get that wire to you tomorrow.

The Railroad commission said they do not use the P-1 any longer and upon receipt of a P-5 and a bond they will issue a number which seems backward since there is a place on the P-5 for a number.

Wow, that would make me "dirty my diaper" if I owned a working interest of that size and had to pony up that much money on a chance of hitting oil.

I will talk to you as soon as I can get free from this customer.

Thanks,

Jon

-----Original Message-----

From: atmay@prosperenergy.com [mailto:atmay@prosperenergy.com]

Sent: Monday, August 04, 2008 11:52 AM

To: Jon Pope

Subject: Huff Oil Unit #1: Galveston County, Texas

Good Morning Jon,

I am back in Dallas after a rough weekend in Boston with my young daughter.

This new experimental treatment really hit her hard. Hopefully, she can pull thru with it. However, I am glad to be back in Dallas.

I left both you and your wife a message this morning. I received a call back from Dune Operating about your interest in the Huff Oil Unit. They are sending you a Division Order out this week. Please sig it and return it to them ASAP.

I also received a royalty check from them for around \$300.00. 75% of that belongs to you. This morning I mailed you a check (payable to Pope Inc.) for your share along with a copy of the gas run for your records. Next month, the royalty will be properly divided between both of us.

I faxed and spoke with Sharon last week. She was waiting to ge confirmation from you on sending us that wire. Please advise her to do so.

Did you get your P-1 filed? If not, let me know and I can help from my end here.

Here's a real bitch for you. I own a leasehold of 500 acres in North Dakota.

It is a 10 year lease I have with the state. Today, I received a letter from ConocoPhillips advising me that they are drilling a well there at a cost of \$5,799,262.82 and as a working interest owner my 39% share of the 1280 acre unit comes to a low low price of \$2,261,712.49. Yes, that's right, \$2.2MIL. Sure hope the well comes in!!!

Have a brilliant and productive day my friend.

Alan

Jon Pope

From: atmay@prosperenergy.com
Sent: Friday, October 17, 2008 1:19 PM
To: Jon Pope
Subject: As Noted

Hey Jon,

I just received the worst phone call a parent wants to hear. The hospital in Boston just called and told me my 22 year old daughter Lauren would not make it through the night. I am leaving for Boston at 3pm. She has faught this cancer really hard. I am so proud of her.

Have a good weekend my friend.
Alan

You have me laughing out loud. Thanks! I needed a good laugh!

From: atmay@prosperenergy.com [mailto:atmay@prosperenergy.com]
Sent: Thursday, October 16, 2008 3:10 PM
To: bbrazda@ndira.com
Cc: Jon Pope; angpope@st-tel.net; cwynne@ndira.com
Subject: RE: IRA Funding

Jon,

I just spoke with Ben. He needs a good ole fashion Texas ass kicking.

Alan

Hi Alan,

I've been cc'd on these emails and I think Matt has been very clear in explaining what we need.

Since we do not have you listed as an Interested party on the account, we would like all future communication to come from our client, Jon.

As mentioned is yesterday's email. Jon Pope's funds have not arrived yet. Once received, we will be able to fund the investment. Keep in mind that once we receive a check from Liberty Partners there will be a 5 business day clearing period. If this is urgent I would recommend having Liberty Partners send the funds in a wire. This would speed the process up. I have attached wiring instructions.

Please let me know if you have any questions. Thanks.

Matt Rosenberg
Asset Acquisitions

Entrust New Direction IRA, Inc.

1300 Plaza Court North Suite 103

LafayetteCO80026

phone. 303-546-7930
toll free. 877-742-1270
fax. 303-665-5962
www.NewDirectionIRA.com

From: atmayer@prosperenergy.com [mailto:atmayer@prosperenergy.com]
Sent: Wednesday, October 15, 2008 10:22 AM
To: mrosenberg@ndira.com
Cc: jpope@psbonline.com; bbrazda@ndira.com
Subject: RE: IRA Funding

Matt,

Good morning. What is the status on funding for Mr. Jon Pope?

Thanks,
Alan

Hello all, we have not received the IRA funds from Liberty Partners yet. The transfer paperwork was sent on October 7th to them. I would encourage Jon to call liberty and see what the delay is and to let me know when the funds have been sent. Thanks for your patience.